

Texas Department of Agriculture
Commissioner Sid Miller

Texas Rural Impact

2015-2016 Rural Policy Plan

Texas Department of Agriculture
Mission Statement

Partner with all Texans to make Texas the nation's leader in agriculture, fortify our economy, empower rural communities, promote healthy lifestyles, and cultivate winning strategies for rural, suburban and urban Texas through exceptional service and the common threads of agriculture in our daily lives.

Executive Summary

The Texas Rural Health and Economic Development Advisory Council is tasked with developing a rural policy plan, including initiatives for economic development, community development, and rural health; priorities for the use and allocation in this state of federal block grant money; and recommendations for legislation and program development or revision.

State resources are scarce, and the Advisory Council recommends focusing those resources on the areas with the potential for the greatest impact:

- Continuing education for rural health professionals
- Capital improvements for rural hospitals
- Community infrastructure
- Broadband access
- Small business support

Supporting rural health

"We can't pull the plug on rural Texas. If we don't resuscitate the rural health care system, every Texan will suffer. Think of our rural communities as the heart pumping the blood to all of Texas, and if the heart stops, the body dies." - Commissioner Sid Miller

(Image of Road "Some Texans drive over 100 miles to reach the nearest hospital")

The Texas Department of Agriculture's (TDA) State Office of Rural Health (SORH) is charged to ensure access to, and quality of, health care services in rural Texas. SORH is funded through both federal and state funds and administers several programs to support health care facilities in rural Texas. These programs include funding for capital improvements, health information technology improvements, training and technical support for critical access hospitals, and incentives for healthcare professionals to practice in rural areas.

A portion of the programs within SORH requires **state funding** to match the federal dollars. Reductions in general revenue funds, and corresponding reductions in federal funding, have eliminated one incentive program to attract physicians to rural communities and significantly constrained the program overall.

The Advisory Council recommends that the legislature adequately fund the State Office of Rural Health and maximize access to federal funding for rural health care. The legislature should prioritize SORH and provide financial support to make an effective impact on rural communities.

STATE OFFICE OF RURAL HEALTH (SORH) GRANT

Federal Dollars:	\$172,000	(FY 17)
General Revenue (GR) Dollars:	\$251,600	(FY 17)
GR Dollars Required:	\$516,000	(FY 17)

The most flexible of the rural health programs, the grant collects and disseminates research, information, and resources, with a focus on continuing education for rural health care providers. These educational opportunities help rural health care providers receive current information and training while remaining in the community.

The grant requires a 3-to-1 match, totaling \$516,000, which has historically been provided. The current match amount totals \$251,600. This reduction led to drastic decreases in important educational and training activities that were provided to rural hospitals and providers.

MEDICARE RURAL HOSPITAL FLEXIBILITY PROGRAM (FLEX)

Federal Dollars:	\$723,664	(FY 17)
General Revenue Dollars:	\$0	(FY 17)

Flex funds are dedicated to support the 80 Critical Access Hospitals (CAH) across rural Texas. Health care organizations provide technical assistance and must show measurable results in terms of quality improvements, financial and operational improvements, and educational opportunities through conference events.

SMALL RURAL HOSPITAL IMPROVEMENT GRANT PROGRAM (SHIP)

Federal Dollars:	\$822,444	(FY 17)
General Revenue Dollars:	\$0	(FY 17)

The SHIP Grant helps small rural hospitals meet the costs of implementing data systems as required by the federal regulations. Although the program is narrow in scope, the support is critical to ensuring rural hospitals are able to meet modern standards, including Medicare billing and accountability requirements. As federal requirements for healthcare increase, rural hospitals have an increasing need for resources to meet those standards. Aging technology and a lack of telecommunication and technology infrastructure contribute to an inability to attract medical staff to rural communities. Need and demand for these programs and services is expected to continue to exceed resource availability.

RURAL HEALTH FACILITY CAPITAL IMPROVEMENT PROGRAM (CIP) GRANT

Federal Dollars: \$0 (FY 17)

General Revenue Dollars: \$1,907,435 (FY 17)

The CIP is a flexible federal program, tailored by state legislators to help public and non-profit hospitals in rural counties make capital improvements to existing facilities, construct new facilities, or purchase new equipment.

The demand for CIP funding is clearly evidenced by the number of applications and funding requested by these healthcare organizations each year.

fetal monitoring system, portable X-ray machine, digital mammography unit, anesthesia monitoring system, cardiopulmonary telemetry monitoring system, medication dispensing system, laryngoscope, ventilator, surgical equipment, sterilization equipment CT scanner, emergency room stretchers, operating room table,

TYPES OF PROJECTS FUNDED BY CIP

infant radiant warmer, ultrasound machine, defibrillators, cardiac patient monitoring system, wheelchairs, repair and renovation of patient care area, emergency room renovations, construction of dialysis inpatient treatment rooms, fire alarm system, installation of piped oxygen into X-ray and computed tomography (CT) rooms, new ambulance, refurbish ambulance, roof repair, and senior care transport van.

RURAL COMMUNITIES HEALTH CARE INVESTMENT PROGRAM (RCHIP)

Federal Dollars: \$0 (FY 17)

General Revenue Dollars: \$111,703 (FY 17)

The RCHIP helps rural communities recruit and retain health care professionals. The grant is a one-time only award made to the non-physician healthcare provider - physician assistants, nurses, LVNs, nurse practitioners, physical therapists - who commit to practicing at least 12 months in a medically underserved area of Texas.

rural citizens must have **Broadband**

Text box with photo: “Not having access to internet connectivity means being cut off from opportunities for jobs, education, and E-health. Rural communities will be economically crippled without broadband access.” - Dr. Sharon Strover

Critical to the support of rural health, economic development, and community development is broadband access.

Broadband offers exciting possibilities for telemedicine. Rural hospitals struggling to retain staff with adequate experience can partner with larger facilities to consult on cases if the infrastructure to share data and medical records is available. First responders equipped for telemedicine can communicate and begin treatment in coordination with the nearest hospital, saving critical time when the distance to the appropriate facility is great.

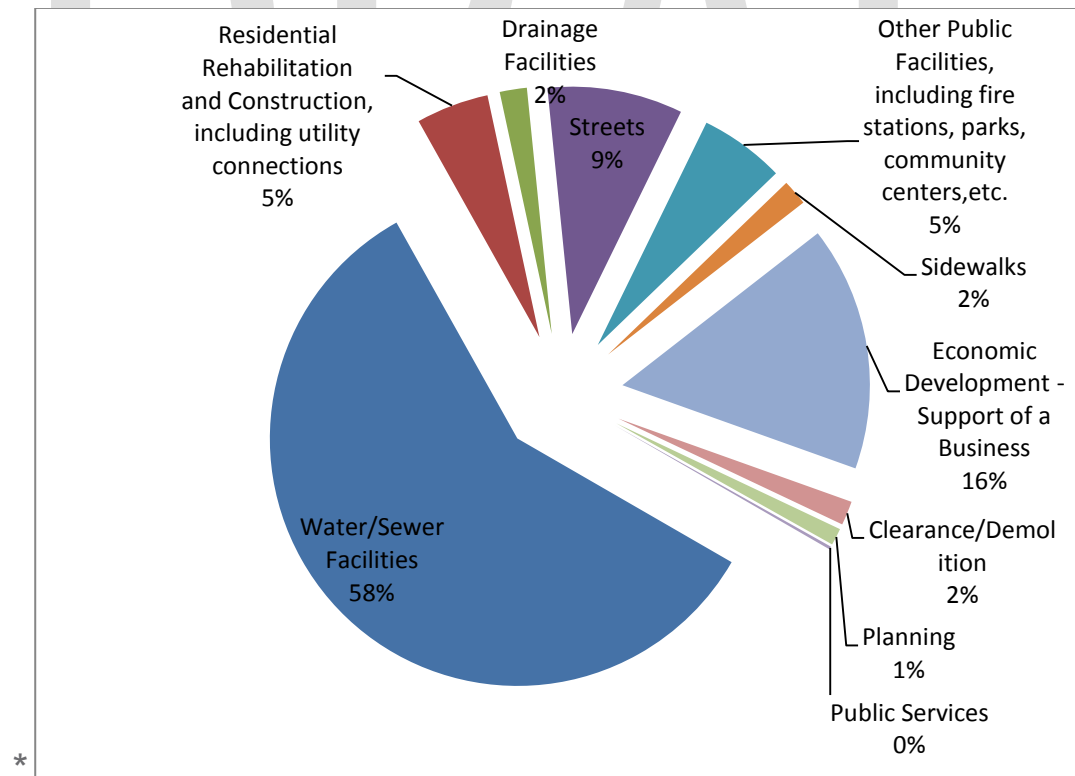
Broadband access is an opportunity for rural communities to support local entrepreneurs in the modern economy. Connectivity for entrepreneurs is more necessity than luxury, and allows those that would otherwise open a business in an urban area to locate in rural Texas. Extending broadband coverage requires extensive coordination between local communities, state agencies for funding and oversight, and private-sector providers. The non-profit Connected Texas has created maps to identify gaps in coverage and encourages innovative partnerships to expand access. Current TDA programs have not been conducive to funding broadband infrastructure, but staff continues to explore the potential for such a project.

The Advisory Council encourages the state legislature to adequately fund the efforts of Connected Texas.

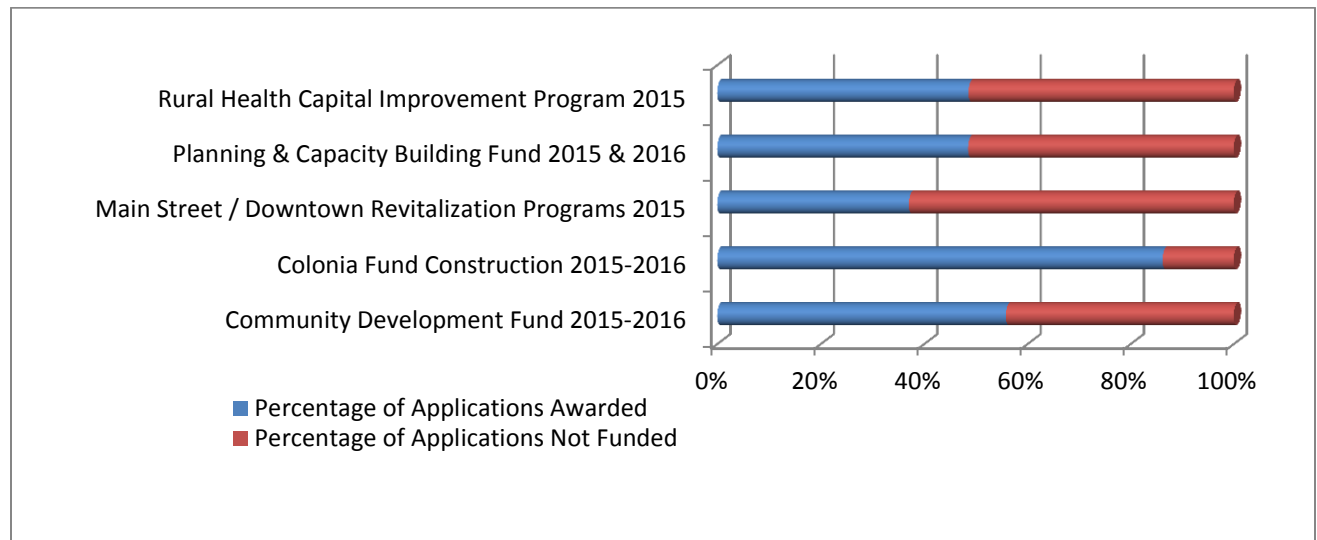
Investing in rural Communities

TDA administers the **Texas Community Development Block Grant Program (TxCDBG)**, which addresses community needs with funds provided by the U.S. Department of Housing and Urban Development (HUD). The goal of the CDBG program is to develop viable communities by providing decent housing, suitable living environments, and expanding economic opportunities, principally for persons of low and moderate income.

Rural Texas communities often prioritize water and sewer infrastructure, knowing that they must ensure the basic services are available in order to attract businesses and workers.



\$68,154,854 in TxCDBG funds was awarded to 220 projects in 2014-15, but many applications **were not funded and critical needs left unmet**, similar to the Rural Health CIP program.

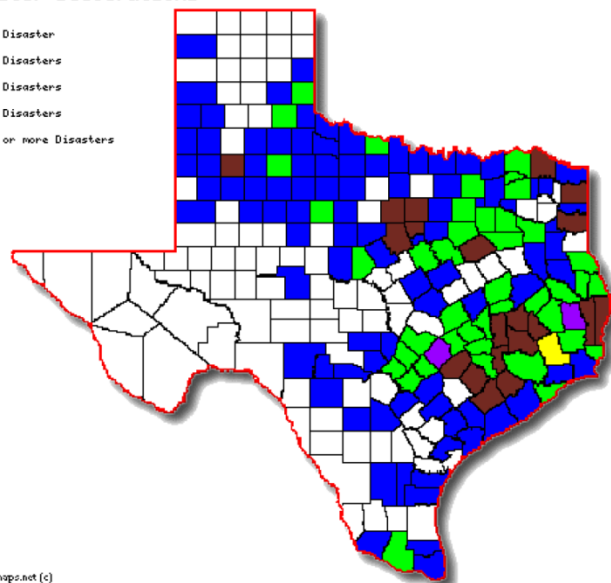


In recent years, requests for TDA's Disaster Relief Fund exceeded available resources for the perhaps the first time in the program's history. Between May 2015 and May 2016, 153 counties were included in one or more of the six separate federal disaster declarations, primarily for flooding and related events. The TDA set-aside in 2015 and 2016 for repair and replacement of damaged infrastructure will be able to provide 34 grants.

Recent federal rule changes limit TDA's ability to maintain a sizable contingency fund; however additional federal resources have been made available through the General Land Office to assist Texans recover from this series of disaster events.

Disaster Declarations

- - 1 Disaster
- - 2 Disasters
- - 3 Disasters
- - 4 Disasters
- - 5 or more Disasters



Source: dymaps.net (c)

The Advisory Council encourages local communities to consider projects that will mitigate the effects of future disaster events, such as elevating critical infrastructure in flood-prone areas or developing drainage infrastructure, when applying for federal and state grant funding. Such projects would be eligible for funding under the TxCDBG Community Development Fund, for example.

The Grants Office is responsible for administering numerous state and federal grants, loans and cooperative agreements available to farmers, ranchers, universities, schools, non-profits and private entities across the Lone Star State. As shown in the table below, these very diverse grants totaled \$83 million for FY 14-15.

TYPE OF GRANT	VALUE OF AWARD
Young Farmer Grants	\$832,401
Surplus Agriculture Serving Students	\$1,092,000
Urban School Agricultural Grants	\$23,300
Nutrition Education (including E3E and X3E grants)	\$1,213,383
Home Delivered Meal Grants	\$17,337,500
Biofuels Infrastructure Partnership	\$17,000,000
Boll Weevil Eradication Grant	\$14,500,000
County Hog Out Management Program	\$325,150
Feral Hog Abatement Grants	\$681,000
Jobs for Texas Venture Capital Investments	\$11,150,000
Capital for Texas Loan Participation Program	\$1,600,000
Organic Cost Share Assistance	\$157,478 200
STAR Fund	\$175,771
Specialty License Plate	\$11,756
Specialty Crop Block Grant	\$3,708,057
Ag Inspection Grant	\$652,500
Ag Research & Dev Grants	\$202,000
Total	\$83,859,073

supporting **Economic Development**
helping rural Texas towns thrive not just survive.

Resources for Small and Local Businesses

As part of the agency's community development efforts, TDA launched two new programs in 2016 to support small businesses and rural entrepreneurship using federal funds. The Grants Office offered the Capital for Texas (C4T) program to make available loan funds from the U.S. Department of the Treasury. The TxCDBG program piloted the Small and Microenterprise Revolving Fund (SMRF) for loans using HUD funds.

TDA has long supported businesses committing to create jobs or retain jobs in rural Texas. TxCDBG's Texas Capital Fund – Real Estate and Infrastructure program funds construction of utilities, building improvements, and other work to support a new or expanding business. In FY14-15, this program supported commitments for 638 jobs in rural Texas communities.

Although job creation is not measured, the sidewalks, lighting, and other improvements funded through TDA's Downtown Revitalization and Main Street Programs encourage both local residents and tourists to utilize local business districts. TDA recently increased the funding made available to these programs in an effort to expand the impact in rural communities.

The Advisory Council recommends that state and local partners continue to use proven programs and explore new opportunities to support local businesses. If state general revenue funds are made available, the Advisory Council supports opportunities for innovative economic development strategies that may fall outside the parameters of federally funded programs.

Economic development through Agriculture

TDA marketing efforts promote the vital \$110 billion agricultural economy, presenting Texas-grown/ Texas-made products at home and around the world. Through TDA's **GO TEXAN** brand, Texas-made goods and Texas communities suitable for retirement are identified as truly Texan for persons wanting the Texas experience. TDA also promotes developing industries such as craft breweries, citrus, and olive oil, which brings visitors to our coastal cities for fresh seafood, to our cities for fine dining, and to our rural communities to experience the heart of Texas.

The **Young Farmer Grant** provides matching funds to agricultural producers ages 18-46 that are beginning or expanding operations. The program encourages a new generation of farmers and ranchers to see the industry as a viable economic resource.

Text Box with Young Farmer Grant Feature/photo - *“90 grants were awarded but 154 qualified applicants were not funded.”*

New Grants now available to support the agriculture economy

The **Agricultural Border Inspection Program** was created by the Legislature and led by a public private partnership initiative, known as the South Texas Assets Consortium. The program provides additional staffing by Custom Border Patrol agents to reduce bottlenecks for agricultural inspections along the Texas-Mexico border. Major infrastructure projects in Mexico connecting the west coast of Mexico to South Texas, reduce the time and cost to bring fresh produce to US markets. This state funded program expedites shipments through congested ports of entry leading to improved economic prosperity for Texas businesses.

The newly created **Texas Produce Safety Office**, funded by the Food and Drug Administration, will receive \$6.5 million in funding over the next five years to create the necessary infrastructure and conduct grower outreach, education and inspections of fresh fruits and vegetables based on the FDA Food Safety Modernization Act (FSMA).

The **State Trade Expansion Promotion (STEP)** will receive \$800,000 in federal (from the U.S. Small Business Administration) funds for FY 2017. TDA aims to increase the number of Texas small businesses exporting to foreign markets and to boost the value of exported goods and services through export training, technical assistance, and state led trade shows, as well as financial support to conduct individual export activities

The **Advisory Council** supports these efforts to facilitate trade and support the agricultural economy.

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our 11 Field Staff connect us to Texas

and cover 254 Counties across the state.

The Trade and Business Development Division has an Outreach and Community Relations Field Representative in each of its 11 regions to provide program outreach and face to face stakeholder contact with local citizens and elected officials across three main program areas; Marketing, Office of Rural Affairs, and Office of Water.

The TBD Field Representatives support marketing efforts for producers, retailers and restaurants with marketing opportunities and support at local events, and they represent TDA at trade and industry events and scores of regional events and festivals. They provide advocacy and support for agricultural uses of water at the local level. Throughout their regions, the TBD Field Representatives meet with elected officials, community leaders, lenders, business leaders, economic development agencies and other interested entities to provide assistance to local businesses and communities, to discuss grant and loan opportunities offered through the Trade and Business Development Division.

This outreach is vital to continue of order for the agency and its programs to remain connected to the rural Texans we serve.